



# **TACOM/INDUSTRY LOGISTICS SYMPOSIUM**

## **LOGISTICS STRATEGIES TRANSFORMING THE FUTURE**

### **Logistics Chain Management & End-to-End Visibility in a Homeland Security Environment**

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**Russell A. Vacante, Ph.D.**

**Director, Sector Leadership, Defense Acquisition University  
President, SOLE - The International Society of Logistics**



# Demographics of Urbanization



In 2004  
Pace of Urbanization  
In the Developing World  
Was Twice  
Is Great As  
In the Developed  
World

Worldwide, Urban  
Growth Rate 2.5%  
Today Expected  
To Stabilize  
At 2% by 2020

In 1990,  
12 Mega-cities  
Worldwide  
(8 in Developing  
World)

By 2025,  
More Than  
66% of the Developing  
World's Population  
(4.4 Billion) Will  
Live in Cities

Urban Population  
Will Increase by  
93 Million Annually

Spectacular  
Growth and  
Size of "Mega-cities"  
-- 10 Million or  
More People

Between  
1950 and  
1990, 500% Increase  
In the Number of  
Urban Residents  
In Developing  
Countries

37% of  
The Developing  
World's Population  
(1.5 Billion People)  
Live in Cities

By 2025,  
Africa's  
Urban Population Is  
Expected to Be 300%  
Larger Than  
North America's

Shift From  
Rural-based  
To Urban Based  
Societies

By 2015,  
27 Mega-cities  
(23 in Developing  
World)

*The Trends in Global Urbanization Are of Importance to Many Civilian and Military Organizations. Implications Are Recognized and Carefully Analyzed*

# The World is Changing

## Demographics

- Population Growth From 6 Billion to 8 Billion in 2025
- Teens and Young Adults Will Dominate Many Societies
- Global Migration Will Accelerate

## Economics

- World's GDP Doubles by 2025
- EU, N. America, Asia-Pacific Rim Remains Center of Power
- Governments Seek Increased Regional Harmonization of Economic and Trade Policy

## Environmental & Health

- Environmental Issues Linked Closely to Security Issues
- Disease Containment and Suppression Will Be Challenged by Migration, Urbanization

## Geopolitics

- Fragmentation of States Along Tribal, Religious, Ethnic Lines Creates Proliferation of New States
- Migration Will Further Destabilize Existing States
- Most States Loosely Aligned in Regional Political, Economic Associations Such As ASEAN and Gulf Coordination Council
- Non-state and Transnational Actors/Forces Will Have Increased Influence

## Energy

- Petroleum Remains World's Most Important Energy Source
- Persian Gulf Remains Most Important Source of Oil
- World Oil Production Will Peak Between 2010-2020 -- Energy Demands Increase

## Technology

- Improvement life-cycle of high-tech systems will continue to contract
- Distinction between commercial and military R&D blurs
- Many benefits from R&D efforts of others
- Difficult to hide technological breakthroughs from others
- Technological breakthroughs could have dramatic strategic implications

# Logistics Chain Management and Homeland Security

Why address these two subjects together?



- ✓ Both are recently effected by terrorist activity
- ✓ Security measures taken since September 11, 2002 impact homeland security and logistics chain management in similar ways
- ✓ A convergence of interests exist between homeland security and logistics chain management systems
- ✓ Ethics is critical to maintaining a check & balance between homeland security and logistics chain management matters and democratic values in the U.S.
- ✓ Many corrective action safeguards are the same or similar

# **LOGISTICS CHAIN & HOMELAND SECURITY MEASURES**

- Increase use of information technology - *information and network security*
- Greater use of security guards - *time delay due to inspection procedures*
- More inspections - *decreased efficiency and productivity*
- Increase requirements for tracking documentation - *additional paper work and compliance measures*
- More comprehensive background checks on personnel - *missed opportunities*
- Greater collaboration at all levels and between government & industry (obtain, share & store information) - *decreased customer-centric service*

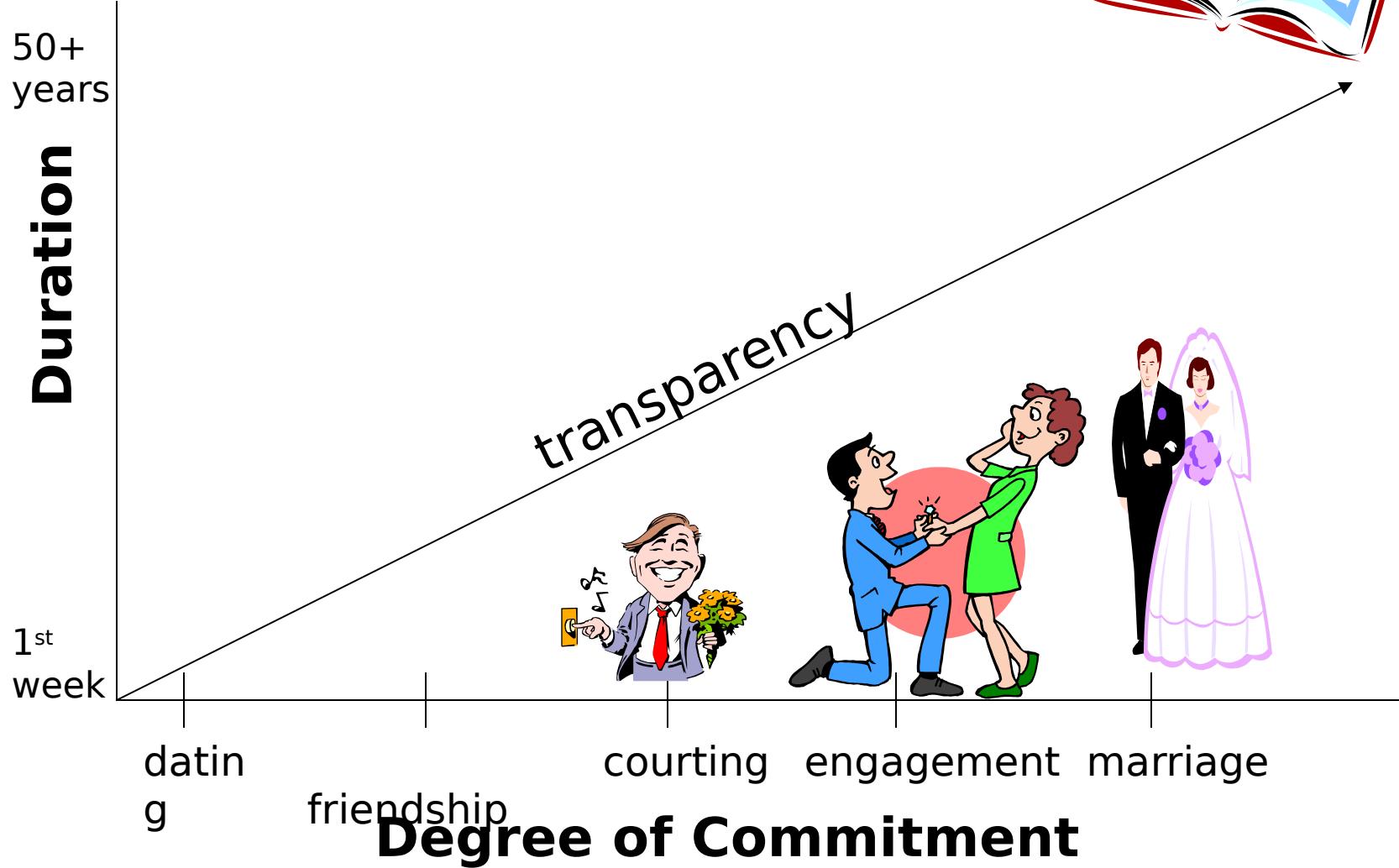
# **Convergence of Homeland Security & Logistics Chain Interest**

- We need to acknowledge the convergence of interest between government and industry regarding security:
  - freedom from terrorist attack
  - seamless flow of people and cargo
  - standardization of inspection procedures and methods
  - information security
  - transportation security
  - national welfare
  - national stature
- Transparency has emerged as the management tool of choice for both homeland security and logistics chain management security



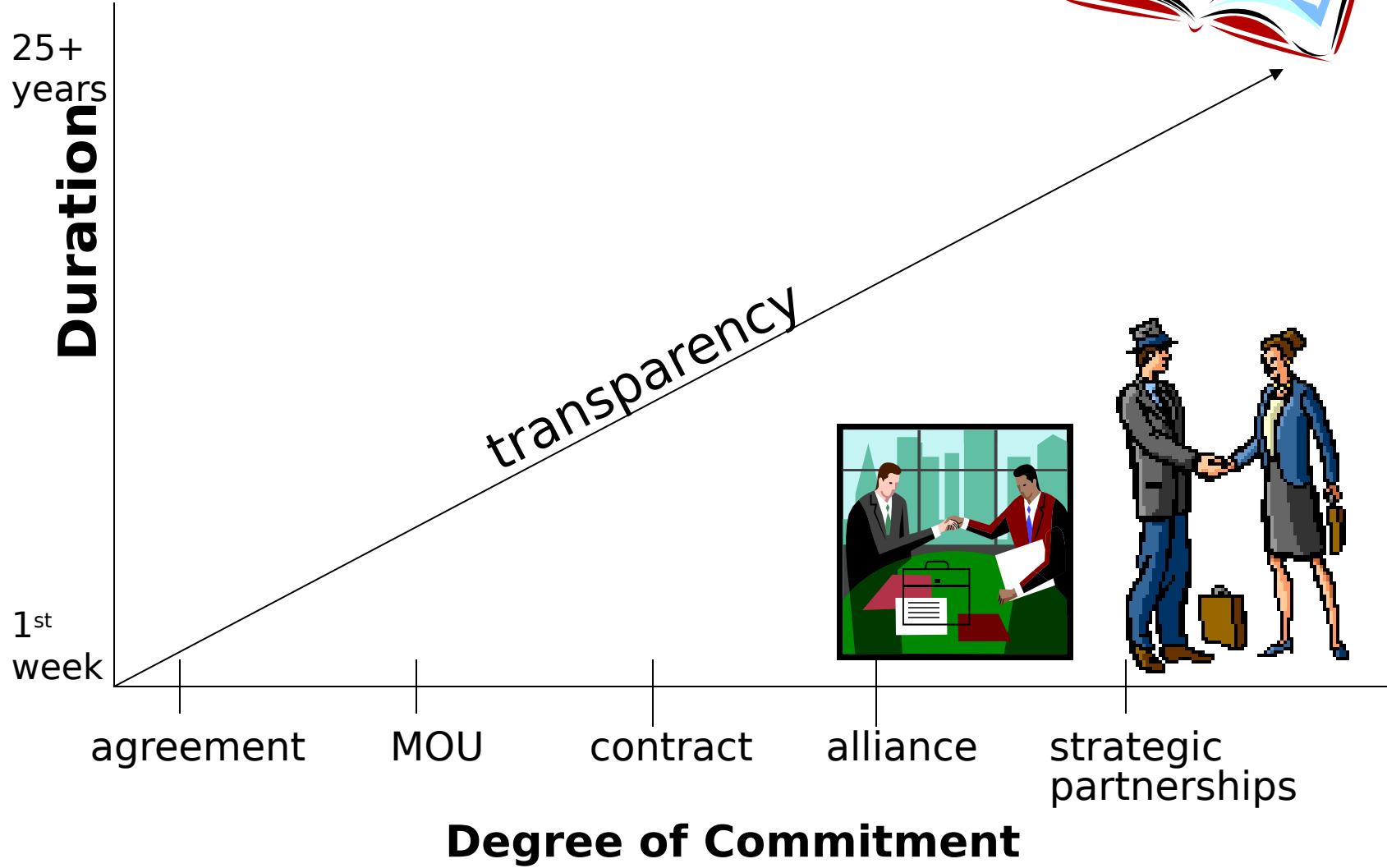
# Ethics

## Marital Relationship



# Ethics

## Logistics Chain Management

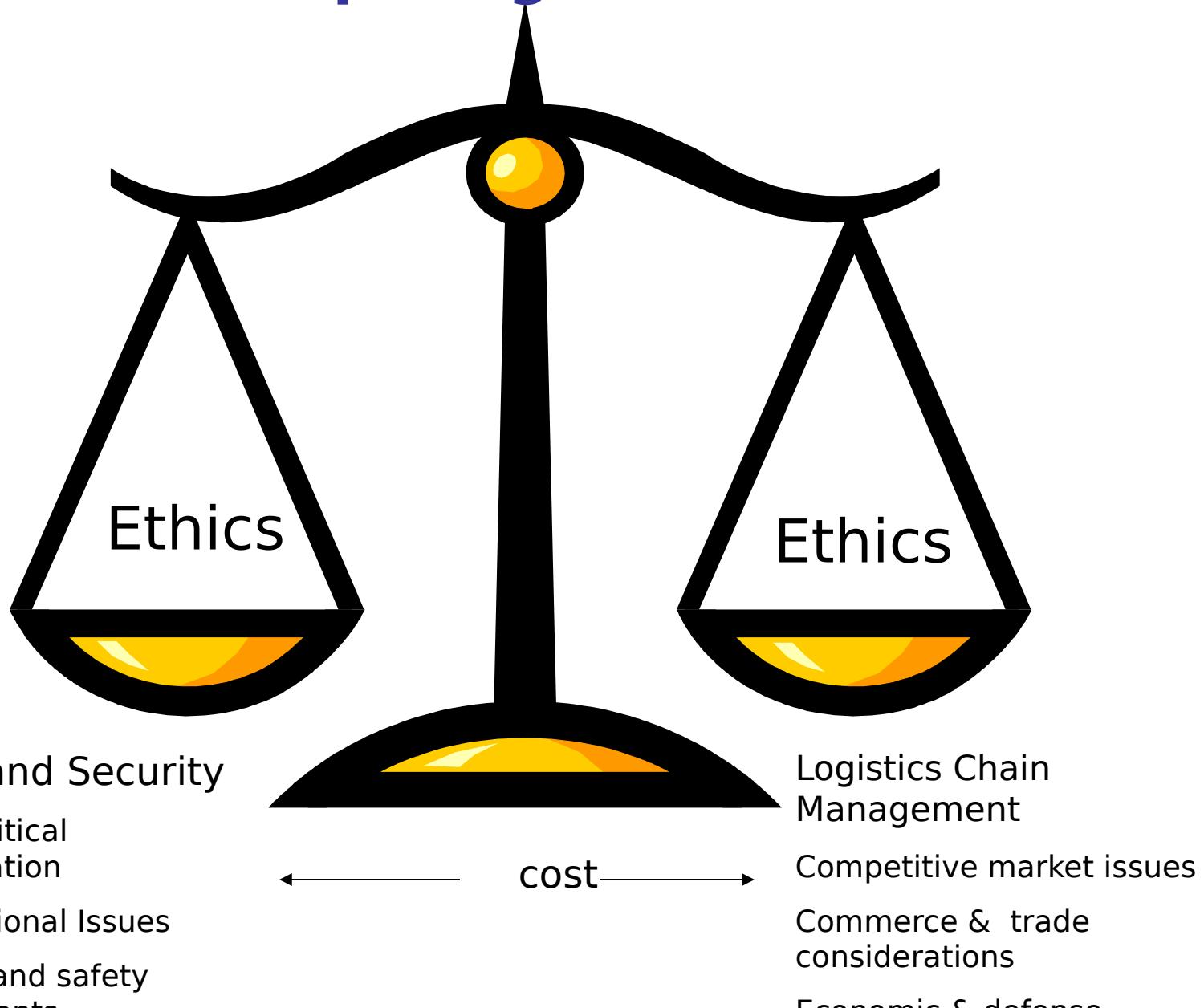


# **TRANSPARENCY**

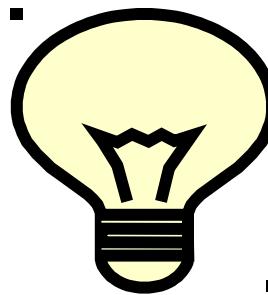
- ✓ Is more readily available as a result of e-commerce and defense security systems
- ✓ Benefits the logistics chain management process and homeland security measures
- ✓ It can be risky to commerce and defense ---possibly to democracy itself

**WHAT ARE SOME OF THE TRADE-OFFS?**

# Homeland Security -- A Challenge to Balance Competing Societal Forces



# Homeland Security



Strategic thinking required!

- Demographics
- Economic
- Environment & Health
- Geopolitical
- Energy
- Technology

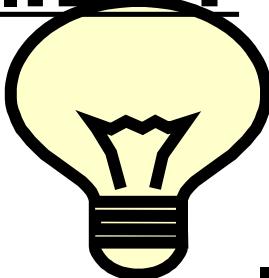


- How much information should be made available?**
- Who should have access to it?**
- What are the societal consequences?**
- Collateral consequences as measured in terms of time, access, technology, and quality of life issues such as**

Homeland Security  
Socio-political  
consideration  
Constitutional Issues  
Security and safety  
requirements

Logistics Chain Management  
Competitive market issues  
Commerce & trade considerations  
Economic & defense requirements

# LOGISTICS CHAIN MANAGEMENT



**Strategic thinking  
required!**

Homeland  
Security  
Socio-political  
consideration  
Constitutional  
Issues  
Security and  
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Logistics Chain  
Management  
Competitive market  
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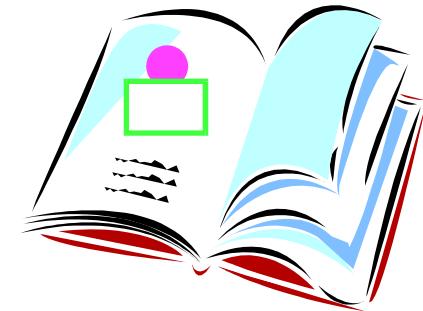
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be made available?  
-Who should have access to it  
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consequences?**

**Collateral consequences  
as measured in terms of  
time, access, technology,  
and quality of life issues  
such as environment?**

# Ethics

Codes of ethics:



- ✓ “Treat others as you would like to be treated”
  - Suggests that there is a standard
  - Suggests that people follow the standard willingly
- ✓ Everyone abides by a code of ethics – I may not know how to define it, but I know it when I see it!
- ✓ Partnerships in domestic relationships are similar to partnership in the logistics chain management business—ethics is ethics!

# **CORRECTIVE ACTION SAFEGUARDS IN THE 21ST CENTURY**

## **An Approach:**

- Use tools that make transparency readily available
- Adopt a Customer Relationship Management (CRM) Plan
- Think and Plan strategically
- Establish ethics as a standard code of conduct that all can understand and agree to
- Develop strategic alliances for the long-term
- Implement security measures that do not have a tendency to erode our constitutional privileges nor our societal values
- Understand the role of advanced technology and what it can and can not do to improve security

# **SUMMARY**

- Ethics is the cornerstone upon which strategic partnerships are built.
- Strategic alliances and partnerships in homeland security and logistics chain management can improve the productivity and security of each.
- End-to-end thinking is necessary for the correct implementation measure for homeland security and logistics chain management.
- An effective CRM plan mitigates loss in cost, schedule, and performance.
- Homeland Security and Logistics Chain Management issues have more in common than not.



## CONCLUSION

**Let's get on  
with securing  
the global  
logistics chain  
without  
undermining  
the very values  
for which our  
soldiers fight  
and sometime**